

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7147

BILL NUMBER: SB 478

DATE PREPARED: Jan 9, 2002

BILL AMENDED:

SUBJECT: Rainy day fund formula.

FISCAL ANALYST: Diane Powers

PHONE NUMBER: 232-9853

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: This bill requires the budget director to determine the state's quarterly adjusted personal income and quarterly growth rate for each state fiscal quarter. The bill provides that any appropriations from the rainy day fund to the state General Fund shall be determined on a quarterly basis. The bill provides that if the growth rate for the current state fiscal quarter is: (1) less than the growth rate for the immediately preceding quarter but is not a negative growth rate, the amount appropriated from the rainy day fund to the state General Fund is 5% of the total state General Fund revenues for the current quarter; (2) less than the growth rate for the immediately preceding quarter and is a negative growth rate, the amount appropriated from the rainy day fund to the state General Fund is 15% of the total state General Fund revenues for the current quarter; or (3) greater than or equal to the growth rate for the immediately preceding quarter, the amount appropriated from the rainy day fund to the state General Fund is equal to zero. The bill also increases the amount of the balance in the rainy day fund at the end of a state fiscal year that is needed to trigger an appropriation from the rainy day fund to the property tax replacement fund from 7% to 14% of the total state General Fund revenues for the fiscal year.

Effective Date: July 1, 2002.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: